

EVENT VIOLATION
INSPECTOR'S STATEMENT
MINERALS REGULATORY PROGRAM

Company/Mine: Bown Stone Products, Inc.
Permit #: M0390019

CO # MC-6-01-03(1)
Violation # 1 of 1

SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- | | | |
|-------------------------------------|----|--|
| <input type="checkbox"/> | a. | Activity outside the approved permit area. |
| <input type="checkbox"/> | b. | Injury to the public (public safety). |
| <input type="checkbox"/> | c. | Damage to property. |
| <input checked="" type="checkbox"/> | d. | Conducting activities without appropriate approvals. |
| <input type="checkbox"/> | e. | Environmental harm. |
| <input type="checkbox"/> | f. | Water pollution. |
| <input type="checkbox"/> | g. | Loss of reclamation/revegetation potential. |
| <input type="checkbox"/> | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/> | i. | No event occurred as a result of the violation. |
| <input type="checkbox"/> | j. | Other. |

Explanation: The Operator has been conducting mining operations without filing a Notice of Intent or providing reclamation surety.

2. Has the event or damage occurred? Yes
If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: The inspection of this site found areas of mining related disturbance which is not part of a current mining permit.

3. Did any damage occur as a result of the violation? Yes
If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: Areas have been disturbed by mining related activity. No evidence of soil salvage prior to disturbances.

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: _____

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: The operator assumed he was operating on another permittee's area, much of which had been recently reclaimed. He did not understand the need to wait for vegetation establishment or the need to have the permit area amended before he continued operations on an adjacent area.

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: _____

- ☐ Was the operator in violation of a specific permit condition?

Explanation: _____

- ☐ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: _____

Was any economic benefit gained by the operator for failure to comply? Yes
If yes explain.

Explanation: The operator had expanded the disturbed area of a permitted SMO site without having an amendment approved or posting the reclamation surety for the new disturbance.

GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: The operator provided a SMO on June 12, 2006 and acceptable surety for the new disturbance on June 15, 2006. The abatement date for both of these actions was June 16, 2006. The Surety was approved by the DOGM on June 26, 2006.

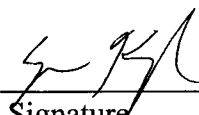
2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation:

3. Was the submission of plans prior to physical activity required by this NOV / CO? yes, explain.

Explanation: Abatement required submittal of a SMO Notice.

Lynn Kunzler
Authorized Representative


Signature

July 5, 2006
Date